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TESTIMONY OF
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STUDENT VETERANS OF AMERICA

BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
OF THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

LEGISLATIVE HEARING ON THE TOPIC OF:
"PENDING LEGISLATION"

OCTOBER 11, 2017



Chairman Arrington, Ranking Member O'Rourke and Members of the Committee:

Thank you for inviting Student Veterans of America (SVA) to submit our testimony on legislation pending before this body. With nearly 1,500 chapters representing over 1.1 million student veterans in schools across the country, we are pleased to share the perspective of those directly impacted by the subjects before this committee.

Established in 2008, SVA has grown to become a force and voice for the interests of veterans in higher education. With a myriad of programs supporting their success, rigorous research on ways to improve the landscape, and advocacy throughout the nation, we place the student veteran at the top of our organizational pyramid. As the future leaders of this country, fostering the success of veterans in school is paramount to their preparation for productive and impactful lives.

We will discuss the value and role of apprentice experiences in the transition process for some service members, the need to address on-going challenges associated with flight training programs, and the importance of getting the Transition Assistance Program (TAP) right for the hundreds of thousands of servicemembers separating from the military each year.

Our National Veteran Education Success Tracker (NVEST) research demonstrates that the GI Bill has a high return on investment for veterans and the country—a program worth ensuring for all generations to come.¹ As the most recently transitioned generation of veterans, student veterans are ambassadors to the all-volunteer force, and recognize the value of this long-term investment.

As a higher education organization, our focus is on training and education; two proposals before this body are outside of our scope of expertise, and we will reserve comment on each, including H.R. 815, To amend title 38, United States Code, to adjust certain limits on the guaranteed amount of a home loan under the home loan program of the Department of Veterans Affairs, and Draft Bill, To amend title 38, United States Code, to eliminate the applicability of certain provisions of the Administrative Procedure Act to housing and business loan programs of the Department of Veterans Affairs.

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H.R. 3018, the Veterans' Entry to Apprenticeship Act

The Post-9/11 GI Bill is primarily used for higher education at two and four-year programs, typically for associates and bachelor's degrees. Still, a small percentage of GI Bill dollars since 2008 have been invested in apprenticeship programs. Though more than half of all separating servicemembers go to school after exiting the military, a few transitioning servicemembers take the opportunity to pursue apprenticeship programs in skilled labor fields, which continue to be a component of jobs for veterans as they enter civilian life.

This bill, the Veterans' Entry to Apprenticeship Act, proposes authorizing veterans to use their GI Bill benefits at participating pre-apprenticeship programs compliant with state standards and sponsorships with Registered Apprenticeship Programs under the Department of Labor (DoL). DoL's Employment and Training Administration (ETA) defines a pre-apprenticeship as, "a program or set of strategies designed to prepare individuals to enter and succeed in a Registered Apprenticeship program."²

Since original introduction of the legislation, unemployment rates have dropped over 4% to a historic low since 2001, now at 3%, or near full-employment³. While well-intended, SVA opposes this vague standard, and the

¹ Cate, C. A., Lyon, J. S., Schmeling, J., & Bogue, B. Y. (2017). National Veteran Education Success Tracker: A report on the academic success of student-veterans using the Post-9/11 GI Bill. Washington, D.C.

² Department of Labor, <https://www.doleta.gov/OA/preapprentice.cfm>

³ Department of Labor, Employment Rate, <https://www.dol.gov/vets/newsletter/pdf/September-2017-VETS-Monthly-Employment-Overview.pdf>



overall proposal as such an opportunity does not even exist for higher education students, such as remedial courses or SAT and ACT testing. There are multiple reasons for maintaining these valuable benefits for core training, such as actual apprenticeship and higher education opportunities.

Pre-requisite requirements are often significantly more affordable, and using the benefits too soon can be the waste of a valuable earned commodity. For example, many students choose to take their first several years of education at a community college to preserve the benefit for later use. Affording the opportunity to use valuable GI Bill benefits for pre-requisites reduces the GI Bill to little more than a housing stipend—the practical use for the benefit in the case of this proposed legislation.

The data to demonstrate a demand for this change is unclear, and coupled with the long-term negative effects on the program illustrate our concerns with this bill. Additionally, the current legislation uses as a basis of approval, “the curriculum of the program is approved by a sponsor and the sponsor certifies to the Secretary that the program will prepare an individual with skills and competencies needed to enroll in a registered apprenticeship program.”⁴ This vague standard is easily exploitable, with very few government resources available to enforce quality standards.

SVA looks forward to working closely with this committee and its members to develop alternative solutions to address the potential rare instances where such a proposal may be beneficial.

H.R. 3634, Securing Electronic Records for Veterans’ Ease (SERVE) Act of 2017

For student veterans entering higher education after service, life can be quite different when compared to the traditional 18-22-year-old students. More than 40% of student veterans are between the ages of 25-34, and living in the dorms is not the preferred housing arrangement.⁵ For those who choose to live outside of campus housing, demonstrating proof of income is a standard requirement to meet for most rental options. Unfortunately, many landlords do not recognize the housing stipend (BAH) as a form of income to be applied to rental worthiness.

This legislation proposes requiring the Department of Veterans Affairs (VA) to furnish students a statement of income for housing purposes based on their anticipated BAH payments. This is a common-sense solution that could easily solve a minor policy oversight that disproportionately affects student veterans with a tremendous burden. SVA is in strong support of this legislation.

DRAFT – To amend title 38, United States Code, to make certain improvements to the use of educational assistance provided by the Department of Veterans Affairs for flight training programs.

For years, there have been examples of fraud, waste, and abuse within flight programs taking advantage of GI Bill resources. Former Chairman of the House Veterans Affairs Committee, Jeff Miller, perfectly captured the issue in a remark last year as he stated, “The GI Bill flight school loophole is so big you could fly a 747 through it.”⁶ While some veterans choose to pursue a vocation in flight programs, these programs continue to operate at levels requiring vastly more resources than limits on vocational training costs.

VA data shows that while the number of students taking flight training went up by only 171 students, or 9%, between FY2013 and FY2014 the total cost to taxpayers for this program grew by \$37 million, or 87%, during this same period. This data also showed in one case VA paid over \$534,000 in tuition and flight payments for one student for one year.⁷ These costs were never assumed as part of the Post 9/11 GI Bill and must be examined.

⁴ H.R. 3018 legislative text, page 2, <https://www.congress.gov/115/bills/hr3018/BILLS-115hr3018ih.pdf>

⁵ U.S. Census Bureau. (2015). American Community Survey 1-year estimates.

⁶ International Business Times, <http://www.ibtimes.com/gi-bill-flight-school-benefits-could-be-slashed-congress-amid-tuition-loophole-2294612>

⁷ Department of Veterans Affairs, http://www.benefits.va.gov/GIBILL/docs/job_aids/ComparisonToolData.xlsx



One can only attribute such a huge increase in flight training benefit costs to schools that saw a loophole that allowed them to increase their training costs.

Veterans who desire a career in aviation should be able to achieve those goals, and not at the expense of the sustainability of the overall program. VA currently affords a maximum of roughly \$13,000 for vocational flight training programs⁸, yet many programs continue to exploit the loophole of operating through public and private programs, thereby undercutting the intent of the law for these programs. Some programs allege that flight training is more expensive by the inherent costs of the equipment, yet many examples of programs exist that do not have skyrocketing costs.

This legislation closes the flight loophole by redesignating flight training from public institutions, and SVA supports this change; we believe the standard cap of approximately \$13,000 should be applied as the limit, in compliance with the intent of congress and the spirit of the law. It is worth noting that many of these programs cite a national shortage of pilots as the justification for this training; the shortage exists within fixed wing aviation (planes), whereas, the vast majority of these programs are training students in rotor wing (helicopters), for which there is no shortage of pilots. High cost programs for low paying jobs is a model that is difficult to support.⁹

This legislation proposes to compress the rate of benefits, with two months of benefits being offered for everyone month of use and seeks to address the claims that these programs have a higher cost. Despite the intent behind this change, SVA maintains that flight programs should not receive double the benefits as the most expensive private schools in the country. While we believe this is an overly generous proposal, we understand the intent and will support the committee's efforts to strike a reasonable balance if this bill moves forward.

For programs that cost more than the cap that the committee is proposing, SVA recommends that programs consider use of the Yellow Ribbon Program, just as schools that cost more than the private school cap of \$22,800 do¹⁰. To say that these resources are not enough to cover the costs of the program simply indicates that the value of these programs is questionable at best; programs that are truly valuable will attract an investment from individuals if they have such enormous career prospects.

We thank this committee and its members for addressing the long-overdue challenges of the flight school loophole, and hope to find an agreement that can close this loophole, preventing further abuse of the GI Bill.

DRAFT – To authorize the Secretary of Veterans Affairs to make grants to eligible organizations for the provision of transition assistance to members of the Armed Forces recently separated from active duty service.

It is important to understand the population of transitioning servicemembers as they exit the military. For example, servicemembers report that the military service experience promoted an interest in pursuing education.¹¹ So, when servicemembers transition out of the military, it is unsurprising that the majority go to school. Yet, the Transition Assistance Program (TAP), continues to maintain a heavy emphasis on employment, and underemphasizes the importance of preparing veterans for a transition to college. The intention of this legislation is to provide a grant for services offered to prepare veterans for employment as a supplement to the TAP training.

⁸ Department of Veterans Affairs, https://www.benefits.va.gov/GIBILL/resources/benefits_resources/rates/ch33/ch33rates080117.asp

⁹ New York Times, "Plenty of Passengers, but Where Are the Pilots?", <https://www.nytimes.com/2016/04/17/opinion/sunday/plenty-of-passengers-but-where-are-the-pilots.html>

¹⁰ *ibid*

¹¹ Institute for Veterans and Military Families, Student Veterans of America, "Student Veterans: A Valuable Asset to Higher Education", https://ivmf.syracuse.edu/wp-content/uploads/2017/09/Student-Veterans_Valuable_9.8.17_NEW.pdf



With unemployment rates hitting historic lows we believe this funding would be more valuable if spent, at least in-part, on providing veterans with college selection services and training.¹² When a veteran leaves the military at an average age of 26 years old, it is unlikely that she or he will return to their high school for guidance and support. Additionally, since two-thirds of student veterans are first-generation college students, they do not have the family support and institutional knowledge about making an informed decision about college.

Since a majority of student are in-fact going directly to school, we propose incorporating relevant services for soon-to-be student veterans as a component of this legislation. We look forward to working with this committee in refining this legislation, and providing out full support in seeing its passage.

DRAFT – To amend title 38, United States Code, to provide for the designation of State approving agencies for multi-State apprenticeship programs for purposes of the educational assistance programs of the Department of Veterans Affairs.

As mentioned, SVA recognizes the use of the Post-9/11 GI Bill for registered apprenticeship opportunities through DoL. As a small percentage of veterans seek apprenticeships after separating from the military, the opportunity often receives very little attention. Many veterans who served in physically demanding roles while in the military decide to pursue degrees in higher education, allowing them to enter the workforce in a field entirely unrelated to their prior military occupation, but still utilizing their soft skills such as leadership, mission accomplishment, and adaptability.

Similar to SVA's research on the use of the Post-9/11 GI Bill with NVEST, it would be prudent to perform similar study of the use and impact of the apprenticeship opportunities. Without such data, it is difficult to determine the effectiveness or outcomes of these programs. Assuming the programs do have reasonably beneficial outcomes, this legislation is a common-sense solution to allowing companies to work with the State Approving Agencies (SAA)¹³ of a single state, versus requiring approval in all 50 states for companies that cross multiple borders.

The importance of including the SAAs as an approval authority in the process of reviewing these programs cannot be overstated. As the metaphorical watchdogs of the GI Bill, the SAAs provide an important quality check on all programs approved for use of GI Bill funds. However, SAAs maintain expertise primarily in higher education, and maintain reviewers with specific apprenticeship expertise for the staff of each SAA is worth consideration.

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The legislation before this body specifically addresses critical areas of policy for veterans as it relates to economic opportunity. The importance of economic opportunity is that it is the key to unlocking the potential leadership that veterans afford the country. Having been through rigorous training and tested under demanding conditions, veterans outperform their civilian peers in many aspects, especially education. From our NVEST data, we know that by nearly any academic standard, veterans are succeeding at higher rates than their traditional peers.

Unfortunately, the story of success for veterans is often left untold due to the structure of various institutions with the ability to highlight their success. We are thankful that this committee pays such particular attention to the importance of economic opportunity policy. Indeed, tools of economic opportunity fuel successful transitions from the military to civilian life; these tools afford veterans who earned the right to go to school the opportunity to excel in higher education; they provide opportunities to own homes, businesses, and provide a better life for families.

¹² *ibid*, Department of Labor, Employment Rate

¹³ National Association of State Approving Agencies, <http://nasaa-vetseducation.com/About.aspx>



However, economic opportunity policy is often buried within the bureaucracy of various entities beyond this body. For example, we have witnessed the exceptional efforts of many dedicated Americans serving DoL in the Veterans' Employment and Training Service (VETS)¹⁴ office, yet it is unclear as to whether the office is given the priority it deserves. At VA, discussion of the GI Bill or any other economic opportunity tool is the last topic on the agenda for any veteran service organization meeting, if discussed at all; yet over \$75 billion has been invested in student veterans through the GI Bill¹⁵—not an insignificant amount by any measure.

Some veterans face challenges as servicemembers in the military and through their transition. The challenges that some face, however, should not be a reason to shy away from the success of millions of veterans. Thanks to organizations like Got Your 6¹⁶, the USO¹⁷, Raytheon¹⁸, the Bill & Melinda Gates Foundation¹⁹, the Lumina Foundation²⁰, and dozens of other incredible people, a message of veteran empowerment is beginning to find its way to the consciousness of the American public. Government is slow to catch-up, but we believe this Administration has the power to elevate the importance and potential of economic opportunity for veterans.

We thank the Chairman, Ranking Member, and the Committee members for your time, attention, and devotion to the cause of veterans in higher education. As always, we welcome your feedback and questions, and we look forward to continuing to work with this committee and the entire congress to ensure the success of all generations of veterans through education.

¹⁴ DoL VETS, <https://www.dol.gov/vets/aboutvets/aboutvets.htm>

¹⁵ Department of Veterans Affairs, Total Expenditures, <https://www.benefits.va.gov/REPORTS/abr/ABR-Education-FY16-03022017.pdf>

¹⁶ Got Your 6, <https://gotyour6.org/about/who-we-are/>

¹⁷ The USO, <https://www.uso.org/about>

¹⁸ Raytheon, <http://www.raytheon.com/responsibility/armed-services/>

¹⁹ Bill & Melinda Gates Foundation, <https://www.gatesfoundation.org/How-We-Work>

²⁰ Lumina Foundation, <https://www.luminafoundation.org/our-work>



Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, SVA has not received any federal grants in Fiscal Year 2018, nor has it received any federal grants in the two previous Fiscal Years.



William Hubbard, Vice President of Government Affairs



Will Hubbard joined the professional staff of Student Veterans of America in February 2014. Mr. Hubbard is frequently called to testify to Congress on a variety of topics related to higher education and veterans. He also regularly advises the White House and senior executives of the Administration on the interests of student veterans and higher education policy.

Mr. Hubbard received his Bachelors in International Studies from American University. After graduating, he spent several years serving government agencies to include the Department of the Navy, Department of State, and the State of Indiana Department of Revenue in his role as a Federal Strategy and Operations Consultant.

As a National Executive Committee Member of Deloitte's Armed Forces Business Resource Group, Mr. Hubbard was dedicated to the achievement of veterans, and led the successful proposal of two veteran-focused pro bono projects. Prior to his career in consulting, he co-founded a successful startup business in the snack food industry, which expanded placement into 14 local stores.

Most recently, Mr. Hubbard deployed to Southern Command (SOUTHCOM) to conduct force protection activities including threat assessments, review of the human terrain, and liaison with joint operations units as well as executive-level embassy personnel. The mission included operations in Honduras, Guatemala, El Salvador, and humanitarian assistance to Haiti in the days after Hurricane Matthew.

Mr. Hubbard joined the Marine Corps Reserve in 2006 and initially served with 2nd Battalion, 24th Marines. Today, he continues to serve at Quantico, VA, and most recently deployed to Central America with a Special Purpose Marine Air-Ground Task Force. He has served SVA at both the chapter and national levels, and has been passionate about veterans' issues since entering the armed services.